reached as the mission came to India to study the financial sector.

Rating system by State Bank of India

6470. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India is planning to develop a rating system within the Banking Industry to evaluate the different services offered by Commercial Banks; and

(b) if so, what will be the detailed working of the system?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) State Bank of India (SBI) have reported that they have no plan to develop a rating system to evaluate service offered by coommercial banks.

(b) Does not arise.

States Small Savings Programme

6471. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Rajasthan Government has requested the Central Government to take some immediate steps to ensure that there is no fall in the collection under small Savings Programme and gave certain specific suggestions in this regard;

(b) if so, the details thereof;

(c) whether any directions have so far been issued by the Central Government to the U.T.I to make sizeable and adequate investment in the States' Small Savings Programme during 1994-95, if so, when; and

(d) whether Government have also decided to increase that limit of Central loan which is at present of net collection under SSI. All Savings to 90 per cent, if so, by when and if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) No, Sir.

(b) Does not arise.

(c) No, Sir,

(d) Keeping in view the burden on the Central Government of Servicing the interest payment and repayment obligations on the existing stock of small savings debt and the cost of management of small savings schemes, it is not feasible to increase the quantum of loans to State Governments from the present level of 75 per cent of net collcoctions.

Level Playing Field

6472. SHRI G.G. SWELL:
SHRI CHIMANBHAI MEHTA:
SHRI MOHD. MASUD KHAN:
SHRI SHANKAR DAYAL SINGH:
SHRIMATI RENUKA CHOWDHURY:

Will the Minister of FINANCE be pleased to state:

(a) what are the main feature of level playing field;

(b) where does the discrimination exist against Indian Industrialists vis-a-vis foreign multinationals and NRIs;

(c) whether it is a fact that long term and short term capital gain taxes for FII's are 10 per cent and 30 per cent and for Indian and NRIs tax rates are higher; if so, why this discrimination;

(d) which are areas of economy and finance including taxation where foreign multinational are given more favourable treatment vis-a-vis Indians and NRIs;

(e) whether it is a fact that there is no 'level playing field' as far as labour input is concerned;

(f) whether it is a fact that profits of Indian companies are higher as compared to profits available in developed countries;

(g) whether it is a fact that import duty

is largely below 7 per cent in developed countries while in India they have remained 10 to 20 times higher over a long time; and

(h) what is the comparable import duties in Indian and devleoped countries?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) A selected group of industrialists met the Finanace Minister on 10th November, 1993. The Group, while expressing their full agreement with trade liberalisation policies of the Government, made the following suggestions;

(i) Restriction imposed by RBI on banks on lending against pledge of shares be removed;

(ii) Removal of constraints imposed by Section 370 and 372 of the Companies Act;

(iii) Indian Companies be allowed to issue non-voting shares;

(iv) Reduction of share holdings of the financial institutions in the Indian Companies;

(v) Access to low-cost funds abroad for investment in Indian companies; and

(vi) High-cost in terms of stamp duty and capital gains tax be brought down.

(b) to (d) Foreign Institutional Investors are subject to 10 per cent and 20 per cent tax on their income by way of long-term capital gains and short-term capital gains respectively. The long term capital gains in the case of non-resident individuals are subject to 20 per cent tax, whereas short term capital gains are subject to tax at 20 per cent to 40 per cent. Concessional tax rates have been provided to FIIs in accordance with the practice generally prevailing in other countries.

Foreign multinationals as such have not been given any favourable treatment under the Income-Tax Act.

(e) and (f) Labour Costs and profits very from firm to firm, sector to sector and country to country. It is difficult to draw a general conclusion about these.

(g) and (h) Import duties of developed countries are not strictly comparable with those in India due to differences in levels of industrialisation and overall development. However, customs duties in India have been reduced significantly by stages since July 1991. Presently the maximum customs duty stands at 65 per cent for general goods and 25 per cent for capital goods with certain exceptions.

Evasion of Excise Duty of M/s I.T.C. Limited

6473. SHRI J.S. RAJU:
SHRI K. MOHAMMED KHAN:

Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 3762 given in the Rajya Sabha on the 19th April, 1994 and state:

(a) whether there is any stay of proceedings granted by CEGAT in the matter relating to evasion of Excise Duty of M/s. ITC limited being adjudicated by Director Central Excise;

(b) if so, the details thereof;

(c) what steps have been taken by Government to get the stay vacated; and

(d) if no steps are taken, the reasons therefore?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) Nine show Cause Notices, relating to alleged evasion of Central Excise duty by M/s. ITC Limited and their job workers, were under adjudication by the Collector of Central Excise, Delhi The CEGAT, vide their Misc. Order No. 179/92-A dated 13.7.1992, directed the Collector of Central Excise, Delhi not to proceed with hearings in the said nine Show Cause Notices till the disposal of a similar matter before the Tribunal. The said matter has since been disposed of by